

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the matter of)	
)	
Verizon Telephone Companies)	Transmittal No. 232
Tariff FCC Nos. 1 & 11)	

ORDER

Adopted: September 3, 2002

Released: September 3, 2002

By the Chief, Pricing Policy Division:

I. INTRODUCTION

1. Pursuant to section 204(a)(3) of the Communications Act of 1934, as amended,¹ the Verizon Telephone Companies (Verizon) filed Transmittal No. 232, revising certain provisions of their interstate access tariff FCC Nos. 1 and 11, to become effective August 24, 2002.² Verizon subsequently deferred the effective date of the subject revisions to September 4, 2002.³ Verizon's tariff revisions would introduce Packet At Remote Terminal Service (PARTS), an access service that uses Digital Subscriber Line (DSL) technology.⁴

2. Under PARTS, data traffic generated by a customer-provided modem would be transported to an ATM port in the end user's wire center, which would be connected to the customer's collocation arrangement through a cross connect.⁵ PARTS would be available only to locations served by DSL-equipped remote terminals and serving wire centers and only to customers that purchase physical or virtual collocation or otherwise establish collocation arrangements.⁶

3. On August 16, 2002, WorldCom, Inc. (WorldCom), and Covad Communications (Covad) filed petitions to reject, or, in the alternative, to suspend and investigate the Verizon

¹ 47 U.S.C. § 204(a)(3).

² Verizon Telephone Companies Transmittal No. 232, Tariff FCC Nos. 1 and 11 (filed August 9, 2002).

³ Verizon Telephone Companies Transmittal No. 236, Tariff FCC Nos. 1 and 11 (filed August 23, 2002).

⁴ See, e.g., Verizon Telephone Companies Tariff FCC No. 1, Transmittal No. 232, Original Page 16-123.

⁵ *Id.*

⁶ *Id.*

tariff revisions.⁷ On August 22, 2002, Verizon filed its reply.⁸ On September 3, 2002, Covad filed a supplement to its petition.⁹ In this order we grant the petitions of WorldCom and Covad insofar as they ask us to suspend and investigate Verizon's tariffs, and we suspend for one day and set for investigation Verizon's revisions to its interstate access Tariff FCC Nos. 1 and 11.

II. DISCUSSION

4. We find that petitioners raise substantial questions regarding the lawfulness of Verizon's tariff revisions that require further investigation. They question whether the language of the revisions is vague and ambiguous in violation of sections 61.2 and 61.54 of the Commission's rules,¹⁰ whether the revisions, including provisioning of the PARTS offering, are unjust, unreasonable, and unreasonably discriminatory in violation of sections 201(b) and 202(a) of the Act,¹¹ and whether the revisions violate Verizon's obligations to provide notice of network changes to affected carriers under section 251(c)(5) of the Act and the Commission's implementing rules.¹² Petitioners further question whether the proposed rates are unreasonably high.¹³ For these reasons, we conclude that substantial questions regarding the lawfulness of Verizon's FCC Tariff Nos. 1 and 11, Transmittal No. 232, require further investigation, and we suspend them for one day. The specific issues that will be the subject of the investigation will be identified in an upcoming designation order and may include, but not be limited to, the issues identified in this paragraph. We may also, by order, identify discrete issues that do not warrant further investigation.

III. EX PARTE REQUIREMENTS

5. This investigation is a permit-but-disclose proceeding and is subject to the requirements of section 1.1206(b) of the Commission's rules.¹⁴ Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentations must contain a summary of the substance of the presentation and not merely a listing of the subjects discussed. More than a one- or two-sentence description of the views and arguments presented is generally required.¹⁵ Other rules pertaining to oral and written presentations are also set forth in section 1.1206(b).

⁷ Verizon Telephone Companies Tariff FCC Nos. 1 & 11, Transmittal No. 232, WorldCom Petition to Reject or, in the Alternative, Suspend and Investigate (Aug. 16, 2002) (*WorldCom Petition*); Revisions by the Verizon Telephone Companies to Tariffs F.C.C. Nos. 1 and 11, Transmittal No. 232, Covad Communications Petition to Reject or, Alternatively, to Suspend and Investigate (Aug. 16, 2002) (*Covad Petition*).

⁸ Verizon Telephone Companies Tariff FCC Nos. 1 & 11, Transmittal No. 232, Reply Comments of Verizon (Aug. 22, 2002).

⁹ Revisions by the Verizon Telephone Companies to Tariffs F.C.C. Nos. 1 and 11, Transmittal No. 232, Covad Communications Supplement to Petition to Reject or, Alternatively, to Suspend and Investigate (Sept. 3, 2002) (*Covad Supplement*).

¹⁰ 47 C.F.R. §§ 61.2, 61.54. See, e.g., WorldCom Petition at 2-4; see also Covad Petition at 6.

¹¹ 47 U.S.C. §§ 201(b), 202(a). See Covad Supplement at 5; Covad Petition at 4-5; WorldCom Petition at 4-7, 9.

¹² 47 U.S.C. § 251(c)(5); 47 C.F.R. § 51.325, *et seq.* See Covad Petition at 6-7.

¹³ See Covad Supplement at 2-4; Covad Petition at 8-9; WorldCom Petition at 7-8.

¹⁴ 47 C.F.R. § 1.1206(b).

¹⁵ See 47 C.F.R. § 1.1206(b)(2).

IV. ORDERING CLAUSES

6. ACCORDINGLY, IT IS ORDERED that, pursuant to section 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 204(a), and through the authority delegated pursuant to sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, Transmittal No. 232, Tariff FCC Nos. 1 and 11 of the Verizon Telephone Companies ARE SUSPENDED for one day and an investigation IS INSTITUTED.

7. IT IS FURTHER ORDERED that the Verizon Telephone Companies SHALL FILE a supplement within five business days from the release date of this order reflecting the suspension. They should cite the "DA" number on the instant order as the authority for the filing.

8. IT IS FURTHER ORDERED that, pursuant to sections 4(i) and 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i) and 204(a), and pursuant to the authority delegated by sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, the Verizon Telephone Companies SHALL KEEP ACCURATE ACCOUNT of all amounts received that are associated with the rates that are subject to this investigation.

9. IT IS FURTHER ORDERED that the petitions to reject, or, in the alternative, to suspend and investigate filed by WorldCom, Inc. and Covad Communications, ARE GRANTED to the extent indicated herein and otherwise ARE DENIED.

FEDERAL COMMUNICATIONS COMMISSION

Tamara L. Preiss
Chief, Pricing Policy Division
Wireline Competition Bureau